

AMENDED IN ASSEMBLY JUNE 9, 2003

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 659

Introduced by Senator Soto

February 21, 2003

An act to amend, *repeal, and add* Section 739 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as amended, Soto. Electrical corporations: rates.

(1) Existing law requires the Public Utilities Commission, at least until December 31, 2003, to require that all electrical corporation charges for residential electric customers are volumetric, and to prohibit any electrical corporation from imposing any charges on residential consumption that are independent of consumption unless the charges are in place prior to April 12, 2001.

This bill would, *until January 1, 2009*, directly impose, ~~for an indefinite period,~~ a requirement that all charges for residential electric customers be volumetric, and would prohibit an electrical corporation from imposing any charges on residential electric customers that are independent of consumption, excepting a reasonable minimum monthly bill, as determined by the commission. Because existing law makes a violation of a rule or order of the commission a crime, this bill would change the definition of a crime, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 739 of the Public Utilities Code is
2 amended to read:

3 739. (a) The commission shall designate a baseline quantity
4 of gas and electricity which is necessary to supply a significant
5 portion of the reasonable energy needs of the average residential
6 customer. In estimating those quantities, the commission shall take
7 into account differentials in energy needs between customers
8 whose residential energy needs are currently supplied by
9 electricity alone or by both electricity and gas. The commission
10 shall develop a separate baseline quantity for all-electric
11 residential customers. For these purposes, “all-electric residential
12 customers” are residential customers having electrical service
13 only or whose space heating is provided by electricity, or both. The
14 commission shall also take into account differentials in energy use
15 by climatic zone and season.

16 (b) (1) The commission shall establish a standard limited
17 allowance which shall be in addition to the baseline quantity of gas
18 and electricity for residential customers dependent on life-support
19 equipment, including, but not limited to, emphysema and
20 pulmonary patients. A residential customer dependent on
21 life-support equipment shall be given a higher energy allocation
22 than the average residential customer.

23 (2) “Life-support equipment” means that equipment which
24 utilizes mechanical or artificial means to sustain, restore, or
25 supplant a vital function, or mechanical equipment which is relied
26 upon for mobility both within and outside of buildings.
27 “Life-support equipment,” as used in this subdivision, includes
28 all of the following: all types of respirators, iron lungs,
29 hemodialysis machines, suction machines, electric nerve
30 stimulators, pressure pads and pumps, aerosol tents, electrostatic



1 and ultrasonic nebulizers, compressors, IPPB machines, and
2 motorized wheelchairs.

3 (3) The limited additional allowance shall also be made
4 available to paraplegic and quadriplegic persons in consideration
5 of the increased heating and cooling needs of those persons.

6 (4) The limited additional allowance shall also be made
7 available to multiple sclerosis patients in consideration of the
8 increased heating and cooling needs of those persons.

9 (5) The limited additional allowance shall also be made
10 available to scleroderma patients in consideration of the increased
11 heating needs of those persons.

12 (6) The limited allowance shall also be made available to
13 persons who are being treated for a life-threatening illness or have
14 a compromised immune system, provided that a licensed
15 physician and surgeon or a person licensed pursuant to the
16 Osteopathic Initiative Act certifies in writing to the utility that the
17 additional heating or cooling allowance, or both, made available
18 pursuant to this subdivision is medically necessary to sustain the
19 life of the person or prevent deterioration of the person's medical
20 condition.

21 (c) (1) The commission shall require that every electrical and
22 gas corporation file a schedule of rates and charges providing
23 baseline rates. The baseline rates shall apply to the first or lowest
24 block of an increasing block rate structure which shall be the
25 baseline quantity. In establishing these rates, the commission shall
26 avoid excessive rate increases for residential customers, and shall
27 establish an appropriate gradual differential between the rates for
28 the respective blocks of usage.

29 (2) In establishing residential electric and gas rates, including
30 baseline rates, the commission shall assure that the rates are
31 sufficient to enable the electrical corporation or gas corporation to
32 recover a just and reasonable amount of revenue from residential
33 customers as a class, while observing the principle that electricity
34 and gas services are necessities, for which a low affordable rate is
35 desirable and while observing the principle that conservation is
36 desirable in order to maintain an affordable bill.

37 (3) With the exception of a reasonable minimum monthly bill,
38 as determined by the commission, all charges for residential
39 electric customers shall be volumetric, and an ~~electric~~ *electrical*
40 corporation may not impose any charges on residential electric



1 customers that are independent of consumption, unless those
2 charges were in place ~~prior to~~ before April 12, 2001.

3 (d) As used in this section:

4 (1) “Baseline quantity” means a quantity of electricity or gas
5 for residential customers to be established by the commission
6 based on from 50 to 60 percent of average residential consumption
7 of these commodities, except that, for residential gas customers
8 and for all-electric residential customers, the baseline quantity
9 shall be established at from 60 to 70 percent of average residential
10 consumption during the winter heating season. In establishing the
11 baseline quantities, the commission shall take into account
12 climatic and seasonal variations in consumption and the
13 availability of gas service. The commission shall review and revise
14 baseline quantities as average consumption patterns change in
15 order to maintain these ratios.

16 (2) “Residential customer” means those customers receiving
17 electrical or gas service pursuant to a domestic rate schedule and
18 excludes industrial, commercial, and every other category of
19 customer.

20 (e) Wholesale electrical or gas purchases, and the rates charged
21 therefor, are exempt from this section.

22 (f) Nothing contained in this section may be construed to
23 prohibit experimentation with alternative gas or electrical rate
24 schedules for the purpose of achieving energy conservation.

25 (g) *This section shall remain in effect only until January 1,*
26 *2009, and as of that date is repealed, unless a later enacted statute,*
27 *that is enacted before January 1, 2009, deletes or extends that date.*

28 SEC. 2. *Section 739 is added to the Public Utilities Code, to*
29 *read:*

30 739. (a) *The commission shall designate a baseline quantity*
31 *of gas and electricity which is necessary to supply a significant*
32 *portion of the reasonable energy needs of the average residential*
33 *customer. In estimating those quantities, the commission shall take*
34 *into account differentials in energy needs between customers*
35 *whose residential energy needs are currently supplied by*
36 *electricity alone or by both electricity and gas. The commission*
37 *shall develop a separate baseline quantity for all-electric*
38 *residential customers. For these purposes, “all-electric*
39 *residential customers” are residential customers having electrical*
40 *service only or whose space heating is provided by electricity, or*



1 both. The commission shall also take into account differentials in
2 energy use by climatic zone and season.

3 (b) (1) The commission shall establish a standard limited
4 allowance which shall be in addition to the baseline quantity of gas
5 and electricity for residential customers dependent on life-support
6 equipment, including, but not limited to, emphysema and
7 pulmonary patients. A residential customer dependent on
8 life-support equipment shall be given a higher energy allocation
9 than the average residential customer.

10 (2) "Life-support equipment" means that equipment which
11 utilizes mechanical or artificial means to sustain, restore, or
12 supplant a vital function, or mechanical equipment which is relied
13 upon for mobility both within and outside of buildings.
14 "Life-support equipment," as used in this subdivision, includes all
15 of the following: all types of respirators, iron lungs, hemodialysis
16 machines, suction machines, electric nerve stimulators, pressure
17 pads and pumps, aerosol tents, electrostatic and ultrasonic
18 nebulizers, compressors, IPPB machines, and motorized
19 wheelchairs.

20 (3) The limited additional allowance shall also be made
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24 available to multiple sclerosis patients in consideration of the
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30 persons who are being treated for a life-threatening illness or have
31 a compromised immune system, provided that a licensed physician
32 and surgeon or a person licensed pursuant to the Osteopathic
33 Initiative Act certifies in writing to the utility that the additional
34 heating or cooling allowance, or both, made available pursuant
35 to this subdivision is medically necessary to sustain the life of the
36 person or prevent deterioration of the person's medical condition.

37 (c) (1) The commission shall require that every electrical and
38 gas corporation file a schedule of rates and charges providing
39 baseline rates. The baseline rates shall apply to the first or lowest
40 block of an increasing block rate structure which shall be the



1 *baseline quantity. In establishing these rates, the commission shall*
2 *avoid excessive rate increases for residential customers, and shall*
3 *establish an appropriate gradual differential between the rates for*
4 *the respective blocks of usage.*

5 (2) *In establishing residential electric and gas rates, including*
6 *baseline rates, the commission shall assure that the rates are*
7 *sufficient to enable the electrical corporation or gas corporation*
8 *to recover a just and reasonable amount of revenue from*
9 *residential customers as a class, while observing the principle that*
10 *electricity and gas services are necessities, for which a low*
11 *affordable rate is desirable and while observing the principle that*
12 *conservation is desirable in order to maintain an affordable bill.*

13 (d) *As used in this section:*

14 (1) *“Baseline quantity” means a quantity of electricity or gas*
15 *for residential customers to be established by the commission*
16 *based on from 50 to 60 percent of average residential consumption*
17 *of these commodities, except that, for residential gas customers*
18 *and for all-electric residential customers, the baseline quantity*
19 *shall be established at from 60 to 70 percent of average residential*
20 *consumption during the winter heating season. In establishing the*
21 *baseline quantities, the commission shall take into account*
22 *climatic and seasonal variations in consumption and the*
23 *availability of gas service. The commission shall review and revise*
24 *baseline quantities as average consumption patterns change in*
25 *order to maintain these ratios.*

26 (2) *“Residential customer” means those customers receiving*
27 *electrical or gas service pursuant to a domestic rate schedule and*
28 *excludes industrial, commercial, and every other category of*
29 *customer.*

30 (e) *Wholesale electrical or gas purchases, and the rates*
31 *charged therefor, are exempt from this section.*

32 (f) *Nothing contained in this section may be construed to*
33 *prohibit experimentation with alternative gas or electrical rate*
34 *schedules for the purpose of achieving energy conservation.*

35 (g) *This section shall become operative on January 1, 2009.*

36 SEC. 3. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty



1 for a crime or infraction, within the meaning of Section 17556 of
2 the Government Code, or changes the definition of a crime within
3 the meaning of Section 6 of Article XIII B of the California
4 Constitution.

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6 CORRECTIONS

7 **Heading — Amended date line 1.**

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